

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Petition of Verizon for Further Forbearance	)	
From Separate Affiliate Requirements in	)	WC Docket No. 02-200
Connection with 1+ Calls from Payphones	)	

**REPLY COMMENTS OF SBC COMMUNICATIONS INC.**

SBC Communications Inc. (SBC) hereby files these reply comments in support of the United States Telecom Association's (USTA) Comments filed in response to the Verizon Petition described in the above-captioned proceeding. SBC fully agrees with USTA and urges the Commission to expeditiously forbear from the Section 272 separate affiliate requirements and allow Verizon's local exchange carriers (LECs) to deliver 1+coin-sent paid calls to interexchange carriers (IXCs) on an interLATA basis. Such prompt Commission action is necessary to address this real and growing problem for the payphone industry.<sup>1</sup>

Verizon has asked that the Commission permit its LECs to transport 1+ coin-sent paid calls across LATA boundaries to IXCs to enable them to complete the calls. This proposed solution would also permit Verizon to carry these calls across LATA boundaries to provide consumers advance rating information to enable them to make informed decisions regarding call completion and the available providers of the service.

Forbearance is clearly warranted here and indeed is necessary to ensure consumers continue to have the ability to make 1+ coin-sent paid interLATA calls from Verizon's "dumb" payphones. As the Commission is fully aware, last year it granted AT&T permission to cease carrying interLATA coin-sent paid calls from "dumb" payphones owned by Verizon and other

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<sup>1</sup> While SBC recognizes that the forbearance relief requested herein is specific to Verizon, the FCC should anticipate that other similarly situated BOCs may file similar requests.

payphone providers,<sup>2</sup> and AT&T has begun withdrawing this service from such payphones. Because other carriers have chosen not to offer this service, AT&T's withdrawal of this service, in effect, means that consumers will no longer be able to make 1+ coin-sent paid calls from Verizon and other payphone provider payphones served by AT&T. An immediate solution is required to remedy this developing consumer payphone crisis.<sup>3</sup>

Verizon's proposed solution is a reasonable one and should be granted by the Commission. To do so, the Commission must forbear from Section 272 of the Act. Forbearance is warranted under Section 10 of the Act where the Commission determines the following: (1) enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classification, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory; (2) enforcement of such regulation or provision is not necessary for the protection of consumers; and (3) forbearance from applying such provision or regulation is consistent with the public interest.<sup>4</sup> With respect to the latter prong, the Commission will consider whether forbearance would promote competitive market conditions.<sup>5</sup>

As Verizon's Petition and USTA's comments show, Verizon's proposed solution satisfies each prong of the foregoing test. First, enforcement of the Section 272 separate affiliate requirements is unnecessary to ensure that rates and practices are just and reasonable. As USTA details in its comments, Verizon is not requesting the ability to provide interLATA service to consumers, but rather to provide the operator and transport services necessary to enable consumers to make and IXCs to complete the calls. Because Verizon would transport the calls to

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<sup>2</sup> *AT&T Communications Application to Discontinue Interstate Sent-Paid Coin Service* Granted, 16 FCC Rcd 18464 (2001).

<sup>3</sup> While there are several issues related to AT&T's withdrawal of 1+ coin-sent paid service from payphones, including the inability of callers to reach a directory assistance operator by dialing interLATA NPA-555-1212, Verizon's proposal would help resolve at least one area of concern.

<sup>4</sup> 47 U.S.C. § 10 (a).

<sup>5</sup> 47 U.S.C. § 10 (b).

one of many IXC's for call completion, the IXC's, not Verizon, would be providing the interLATA services to consumers. Verizon's proposed solution is thus just, reasonable and nondiscriminatory. In fact, Verizon's proposal encourages competition amongst IXC's.

Second, enforcement of the Section 272 separate affiliate requirements is unnecessary to protect consumers. Verizon's proposed solution would ensure the continued ability of consumers to make 1+ coin-sent paid calls from Verizon's "dumb" payphones, which would further consumer interests.

Third, Verizon's proposed solution would further the public interest because it would facilitate competition among IXC's, thereby jump starting competition for this service to the ultimate benefit of consumers.

The Commission should expeditiously grant Verizon's Petition. The fact is IXC's are not willing to step in and fill the void left by AT&T. Verizon's proposed solution effectively resolves at least one crisis by ensuring that consumers continue to have this vital service.

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

I, Lactetia Hill, do hereby certify that on this 10<sup>th</sup> day of September a copy of the foregoing “ Reply Comments” was served via U.S. mail, first class, postage paid to the party below.

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